

MEN AND AFFAIRS AT WASHINGTON

★ National Topics Interpreted by ★
WILLIAM BRUCKART

Washington.—As it becomes more painfully apparent that there is no basis upon which to expect present returns of federal taxation to produce sufficient funds to maintain the administration's rate of spending, the President and the Treasury are peeping into every corner for new sources of money. They have already recommended to congress that the present nuisance taxes be re-enacted to bring in some five hundred million a year and they are casting their eyes elsewhere for other tax receipts.

In addition, and as a part of the general pinch that the Treasury now feels, Mr. Roosevelt has asked congress to revise certain provisions of income tax law to close up loopholes and prevent escape from taxation. The President's message to congress on this point was quite bitter and, many observers thought, rather unfair but, nevertheless, he told congress that it was up to the legislative branch to see that there was no tax avoidance.

The President's message dealt with an alleged moral phase of tax avoidance and that part of his message has provoked much criticism of the Chief Executive's attitude. He sought in his statement to the congress to make it appear that many wealthy persons had avoided taxes and that, by so doing, they had sinned.

Now, the President's view is entitled to consideration and his charge that there is tax avoidance is correct. Indeed, I believe no one can successfully dispute the charge that there is tax avoidance of a wholesale character in the United States. But when the matter is placed in the category of a moral issue, it must be examined in a different light. The President did not talk about tax evasion in his message; he talked about tax avoidance. Tax evasion is illegal and immoral. Tax avoidance is purely and simply the arrangement by an individual so that he pays the lowest tax he can and still complies with the law.

I am inclined to side with those in congress who have criticized the President on the attitude he assumed. As long as congress tells an individual, through the language of a law, that he must pay so much tax and prescribes the conditions, if that individual complies with that direction of congress, he does not commit a crime when he pays only that much tax.

I am constrained to support my view in this instance with the language of the late Mr. Justice Oliver Wendell Holmes who, as a member of the Supreme court of the United States, gained probably as much respect as any man who ever sat on the highest bench. Mr. Justice Holmes said in a decision of the court twenty-one years ago and now strangely apropos the following words:

"We do not speak of evasion, because, when the law draws a line, a case is on one side of it or on the other, and if on the safe side it is none the worse legally that a person has availed himself to the full of what the law permits. When an act is condemned as an evasion, what is meant is that it is on the wrong side of the line indicated by the policy, if not by the mere letter, of the law."

Again and again, courts have held that a citizen may employ "any legal means" available to him to diminish the tax which he must pay. It would seem then that Mr. Roosevelt's message used rather ill chosen and ill advised language when, in dealing with questions of tax avoidance, he sought to make it appear that it was wrong for a citizen of this country to try to save his own money.

It has been rather interesting to note the type of outbursts, editorial and verbal, that has come as a result of Mr. Roosevelt's tax message. These outbursts have continued partly because the President asked congress to make an investigation of tax avoidance where some very large taxpayers are involved. Of course, congress is going to do that because it will give congress, or at least certain individual members, an opportunity for publicity. And they do not overlook opportunities for publicity.

Since the discussion of tax questions has continued on the basis of the projected investigation, it has given plenty of writers an opportunity to express their opinion in detail. Many of these critics have become quite personal in their assault upon Mr. Roosevelt and their biting observations are doing him no good politically at all. In fact, I have heard some rumblings beneath the surface to the effect that his tax message has hurt him as much politically as his proposal to add six new justices of his own choosing to the Supreme court of the United States.

Probably the worst of these criticisms appeared in the Washington Evening Star, a newspaper that seldom takes a bitter stand on any question. Usually, its position is confined to the presentation of both sides of the argument. But it was different as regards the tax message.

The Evening Star called attention to regulations of the bureau of internal revenue which prescribed that a person must count as income anything taken in payment of services, whether that thing be money or some other thing of value. It cited the fact that the President occupies the White House without payment of rent and that he has available a large staff of servants who man that institution; that he is provided with automobiles and yachts and various other services and cir-

cumstances without cost. Editorially, the newspaper then goes on:

"Has the President of the United States, unwittingly, failed to include in his income tax the value to him of the residence provided by the government which pays him his salary? Under these regulations it would appear that even the automobiles and the yachts provided by the government should be considered in making out an income tax return. There is no publication of income taxes and therefore the public is not informed as to whether the high officials of the government who are provided with residences, as some are, or with automobiles, as many of them are, take these things into consideration in reporting their income taxes. It would scarcely be an argument to say that residence provided for a public official is not part of his pay. Cabinet officers, for example, are not provided with residences by the government. They must provide residences themselves, at considerable cost. It is obvious, therefore, that a residence given a government official is part of his pay."

When the President proposed the tax investigation, he said that he believed there were a good many millions of dollars that could be

forced into the federal treasury as a result of such inquiry. His action followed sweeping orders issued to internal revenue agents and auditors to review every income tax return with the utmost care. The agents and auditors, of course, will go over the returns filed by the entire list of income tax payers, little as well as big, but the congressional investigation will be devoted only to some of the men called by Mr. Roosevelt, "economic royalists." It is obvious that congress cannot go into all returns so congress will pick on the big ones because those men will have names out of which headlines in newspapers can be written.

The Treasury had a different idea about the investigation which congress undertook at the President's request. The Treasury's plan contemplated a number of secret hearings, star chamber sessions, and I believe everyone knows what can be had in a star chamber session with bureaucrats operating with all of the powers they possess.

Word of the Treasury's ideas did not please congressional leaders and they very quickly put their foot down on the scheme.

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The Star Spangled Banner



UNDER the starry flag that waves over this fair land, every citizen is a king, and there is no avenue to wealth and fame, position and power, that is not open to every child of the Republic.—W. A. Prossner.

THE Star Spangled Banner was designated as the national anthem by an Act of Congress, approved on March 3, 1931. It was written by Francis Scott Key after he had witnessed the British bombardment of Fort McHenry in Baltimore, in 1814. The words of this stirring song were sung to the tune of "Anacreon in Heaven" and immediately became popular and it was regarded as the national anthem though it was not made legally so until 1931.

Lights of New York

By L. L. STEVENSON

Meanderings and meditations: A crowd watching a drunk being hoisted into a taxicab on West Forty-third street. . . A crowd watching men working in a hole in Fifth avenue. . . A goggle-eyed throng peering at one of those stilt walkers, who, sitting on top of a sedan on Nassau street, is adjusting his long legs for his day's work. . . A crowd in front of the windows of a Broadway cut-rate bookstore. . . Always hurrying New York! . . . A legless woman beggar, sitting on her little cart, enjoying a piece of pie and a cup of coffee in one of those open-faced Broadway establishments. . . Pitiful. . . That open space beside a bank on Eighth avenue, just off Forty-second street. . . Where pitch men held forth for so long. . . Selling everything from electric belts to body builders. . . Now protected by a wire fence. . . and turned into a parking space for busses.

Mid-town Mirror: Phil Spitalny exiting from Dave's Blue Room accompanied by 15 damsels. . . He's not the great lover. . . But is the leader of an all-girl orchestra. . . Arthur Godfrey, ex-coast guardsman who turned radio announcer, chatting with a sergeant on recruiting duty in Times Square. . . Ted Collins grinning as he stands in a music store listening to a recording. . . He should, since the song is by Kate Smith whom he manages. . . Lanny Ross coming out of Steinway hall where his office is located. . . Deanne Durbin, Eddie Cantor's young singing protegee, at Grand Central terminal escorted by no less a person than Leopold Stokowski. . . They came east to make recordings for their new picture. . . Carmen Lombardo, songsmith in his own right, at a Broadway publisher's, tapping an appreciative toe to a new tune by an unknown.

A pushcart man selling "coconut juice". . . With coconuts as a decoration, of course. . . A pushcart on Ninth avenue where only caps are sold. . . Something I just learned: Each New Yorker used five gallons more water last year than ever before. . . Maybe because popcorn appears on so many bars. . . A hardware store window full of gadgets. . . Could spend a half hour just looking. . . If I had time, of course.

Down to the Chelsea piers with sailing friends. . . Walter O'Keefe saying good-bye to Morton Downey on his way to Ireland. . . A seller of American flags looking for business. . . Flower vendors on the job also. . . Messenger boys rushing around with telegrams. . . and messenger boys with long boxes of flowers. . . Ship-to-shore and shore-to-ship conversations increasing the general babble. . . Visitors paying 10 cents each as they board the ship. . . Those dimes help care for sick and destitute seamen.

Back in Times Square. . . Morton Bowe, who suggests this theme for drama critics, "Why Was I Bored?" . . . and Peter Van Steeden who tells of the song writer who was so deeply touched by "Song My Mother Taught Me" that he went ahead and rewrote them under different titles. . . Two taxicab drivers engaged in an argument. . . With a cop standing by just in case. . . A woman sandwichman and a male sandwichman strolling Broadway together. . . The woman advertising a tea room . . . and the man a beauty parlor.

Gentlemen do not always prefer blondes, according to Manhattan college students. In fact, the year book reveals that the young men of that university have a preference for brunettes. Their ideal girl has dark brown hair and eyes, sincerity and marked femininity; she can cook, dance, talk intelligently about sports, and understands the golden quality of silence. The opinion was that a college education might increase a girl's attractiveness but was not a necessity.

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Keeping Up With Science

By Science Service

Missing Instruments Supplied by Novel Electrical Device

Plays Any Scale and
Has Great Volume

Swarthmore, Pa. — When Dr. W. F. G. Swann, the well-known scientist who is director of the Bartol Research foundation here, lifts his baton in his extra-curricular job as conductor of the non-paid Swarthmore Symphony orchestra he can call into service two novel electrical musical instruments used nowhere else in the world.

Like most non-paid musical units the Swarthmore orchestra finds difficulty in obtaining a full complement of instruments to render standard symphonic works.

But ingenuity, in the person of the Bartol scientist, Dr. William E. Danforth, has devised electrical apparatus that can pinch-hit for the missing French horn and bass clarinet. A simple elongated box that one holds on the left forearm and plays by moving the fingers on two metal strips does the trick, when linked to radio amplifying apparatus and a loud speaker.

Slight pressure of the right forefinger on one of the strip causes the loud speaker to give a tone controlled in a fashion similar to the fingering of a violin. The loudness of the tone produced is controlled by moving a small lever with the left thumb. The other fingers of the left hand control the range of pitch of the instrument.

Dr. Danforth explained that while none of the principles used in the instrument are new to electrical science, certain features of design, ease of playing and "life" of the tone produced, are improved over what has previously been available.

How Oscillator Works.

Fundamental to the operation of the "oscillation," explained Dr. Danforth, is a gas discharge oscillator. When the finger is placed on the strip an electrical condenser starts charging up like a small water tank being filled through a pipe.

After a certain amount of electricity is stored up in this way the electricity is discharged through the gas discharge tube. This is as if someone suddenly pulled the bottom out of a water bucket and let the water fall all at once.

After the discharge, the condenser again begins to store electricity and repeats the process at regular intervals. Thus is produced a rapid succession of electrical pulses which are sent through a radio tube amplifier to a loud speaker. If the pulses come 256 times a second, for example, the note middle C is produced by the instrument.

Conductors Were Warned to Wear Shoes in 1897

Durand, Mich. — Seventeen rules for the instruction of employees and not for the information of the public are listed on Dayton Coal & Iron road time card for 1897, owned by Joseph C. Clancy, car distributor at the Durand Grand Trunk depot.

Some of the rules are: All trains will leave on time; no collisions allowed on this road; all trains must stop before running over stock of any kind; drink nothing but cold water while on duty; passenger conductors must wear shoes while on duty, socks not required.